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REPORT

WASHINGTON PARISH SCHOOL BOARD INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

FOR
FRANKLINTON HIGH SCHOOL
FRANKLINTON, LOUISIANA

AS OF AND FOR THE PERIOD
July 1, 2008 through June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/1/10

WASHINGTON PARISH SCHOOL BOARD
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Washington Parish School Board
Franklinton, LA

I have performed the procedures listed below, which were agreed upon by the Washington Parish School Board and Superintendent. These procedures were performed solely to assist the school board management with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory at Franklinton High School for the year ended June 30, 2009. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

I tested inventory records to determine the physical existence of property as listed on the school's property inventory report and to determine that property at the school was included on the inventory list. I also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list. I examined the records for the school's activity accounts. Three months of bank reconciliations were tested for completeness and mathematical accuracy. Disbursements were tested for proper use of requisitions, purchase orders and supporting documentation in relation to the school board policies and procedures. I tested bank deposits against pre-numbered receipts for propriety and traced them to the activity account ledger. I calculated gross profit percentages on concession sales and performed reasonableness test on other receipt categories where applicable.

Bank reconciliation - Each month tested was mathematically correct, all reconciling items proper and the reconciled balance equaled the activity account ledger. Beginning and ending balances were traced to prior and subsequent year balances to verify proper cutoffs with transactions recorded in the proper period and balances carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months I tested. The beginning bank balance at July 1, 2008 was \$72,669, and the balance at June 30, 2009 was \$50,540, resulting in a net decrease of \$22,129 for the year ended.

Cash disbursements - For the 32 items tested for the school year ended 6/30/09, school board policy was adhered to regarding the proper sequence of issuance of requisitions, purchase orders and the purchase of items. A properly executed requisition and purchase order was issued prior to the purchase or order of goods and services in the items tested. Supporting documents were properly signed indicating approval to purchase, pay, and receipt of the item by the school. The documentation of transfers between activity accounts was found to be excellent. All invoices were paid on a current basis, and the disbursement records were neat and orderly allowing the verification process to be accomplished in an efficient manner.

There was one check written on 7/2/08 payable to Cash in the amount of \$3,000. A SREB conference was sponsored by Hunt Brothers for \$3,000 for faculty to attend. A check was written for \$3,000 and cash was given to each teacher attending the conference to buy educational materials. I questioned receipts for the money spent and none were available. However, after talking with staff, checks made out to cash will be prohibited. Any expenses for classroom materials incurred out of pocket by staff for future conferences will be reimbursed upon presentation of receipts and by approval of the principal.

Cash receipts – A total of 45 items were examined. Franklinton High School has very good documentation supporting their cash receipt transactions. The receipts tested were balanced to the daily recap and traced to the appropriate account in the activity ledger. Deposit tickets were complete and agreed with the daily report. Of the 45 items tested, 19 items (42%) were deposited two days or later from the actual receipt date. However, after talking with staff, deposits are being made daily at the high school. If after bank hours, they are being placed at the night deposit box at the bank.

Ticket reconciliation forms are utilized for all athletic events. My examination of these forms indicated a proper accounting for gate receipts and ticket inventory for the events supported by ticket reconciliation forms. Deposits for athletic events are normally placed in the night deposit box at the bank, after the event.

Concessions - Concession operations consist of various units or groups as follows:

School Concessions

- 1) Teacher's lounge-drink sales – Gross profit 51.65%
Teacher's lounge-candy sales – Gross profit 54.27%
Profits on these sales are placed in the teacher's courtesy account and general account at year end.
- 2) Encore concessions—drink and candy sales – Gross profit 45.95%
Profit at year-end is transferred to the general account
- 3) Power aid machines: machine # 1 – Gross profit 65.03%
machine # 2 – Gross profit 60.07%
Profit at year-end is transferred to the general account.

Athletic and Band Concessions - Sales and supply cost data to compute the gross profit on each concession were combined with indirect costs in the funds. We computed the gross profit for each area as follows:

- 1) Basketball boosters-concession stand at basketball games—Gross profit 41.57%
Profits from these sales are used to support the basketball program.
- 2) Baseball-concession stand at baseball games-Gross profit of 37.88%
Profits from these sales are used to support the baseball program.
- 3) Softball boosters-concession stand at softball games-Gross Profit of 27.11%
Profits from these sales are used to support the softball program.
- 4) Football concessions-Gross profit of 12.68%
Profits from these sales are used to support the football program.
- 5) Band boosters: concession stand at football games – Gross profit of 31.74%
Profits from these sales are used to support the band program.

Football concessions had a low gross profit due to the purchase of sweatshirts, hats, stadium seats, and car flags that were purchased late in the football season. Because the purchase occurred late in the season, the turnaround time for sales was narrow. However, after talking with personnel, leftover items were sold in the 2009 football season.

With the exception of the band concessions, each component of concessions had a positive fund balance at year end. Band concessions had a balance at 7/1/08 of \$12,159.93. However, at 6/30/09, the balance was negative \$148.87. This was due to the purchase of new uniforms for the band. These costs are being offset by charging the band member's a fee for the uniforms each year. We suggest procedures be put in place that monitor the concession profits after each game to ensure a positive profit margin is being made.

All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Fixed asset inventory – To verify physical existence of items on the School inventory list, I randomly selected items from the inventory list and checked for their physical presence in the listed room. As I moved throughout the School, I also picked items from each room and then verified that the item was on the inventory list. I was able to locate inventory items with the assistance of school personnel. Of the 1,055 items contained on the school's property inventory, I selected a sample of 220 (21%). I found 95% of the items selected from the inventory list and of the items found 100% were tagged. I found 100% of the items selected from the school and 100% of the items selected were tagged. Of the 110 items selected from the inventory list I was unable to locate six items.

One item is a camcorder and the other five are computers. Some items were located in the hallway or adjoining room due to the renovations at the school.

All of the items I found were clearly marked with a property number and as property belonging to Washington Parish School Board. The inventory list for Franklinton High School was in excellent shape. The principal is in charge of the inventory list. However, it is my understanding that teachers are required to prepare an inventory list for their respective rooms at the beginning and end of each school year. It should be stressed to the teachers the importance of completing proper transfer sheets when items are permanently moved from one room to another. After review of the School activity accounts, I found four fixed assets that have been purchased. Two of the assets were on the inventory list and the other two were in the process of being added to the list. In all four cases the correct procedures were followed, as the invoice and check numbers were submitted to the school board on a timely basis. The control of the fixed asset inventory at Franklinton High School is sufficient, but could always use improvement. The cooperation of all personnel will be needed in order to make this improvement.

Prior examination report findings – The prior examination of Franklinton High School was for the period July 1, 2002 through June 30, 2003. There were no adverse findings as a result of that examination.

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Yours truly,


Minda B. Raybourn, CPA

August 19, 2010